



Lok'nStore Group Plc

Results for the half-year ended 31 January 2022

Lok'nStore Results Highlights

Half Year ended 31 January 2022



- **Unit Occupied space up 6.0% yoy**
- **Achieved rate per sq.ft £24.22 up 18.5% yoy**
- **Group Revenue £13.38 million up 31.1%**
- **Group Adjusted EBITDA £8.12 million up 46.5%**

Shareholder Highlights – Increasing Asset and Dividend Growth

- Adjusted Net Asset Value per share up 48.4% to £8.43 per share (up 15.3% from July 21)
- Cash available for Distribution per share 38.0 pence (annualised) up 57.2%
- Interim dividend 5p per share up 15.5%



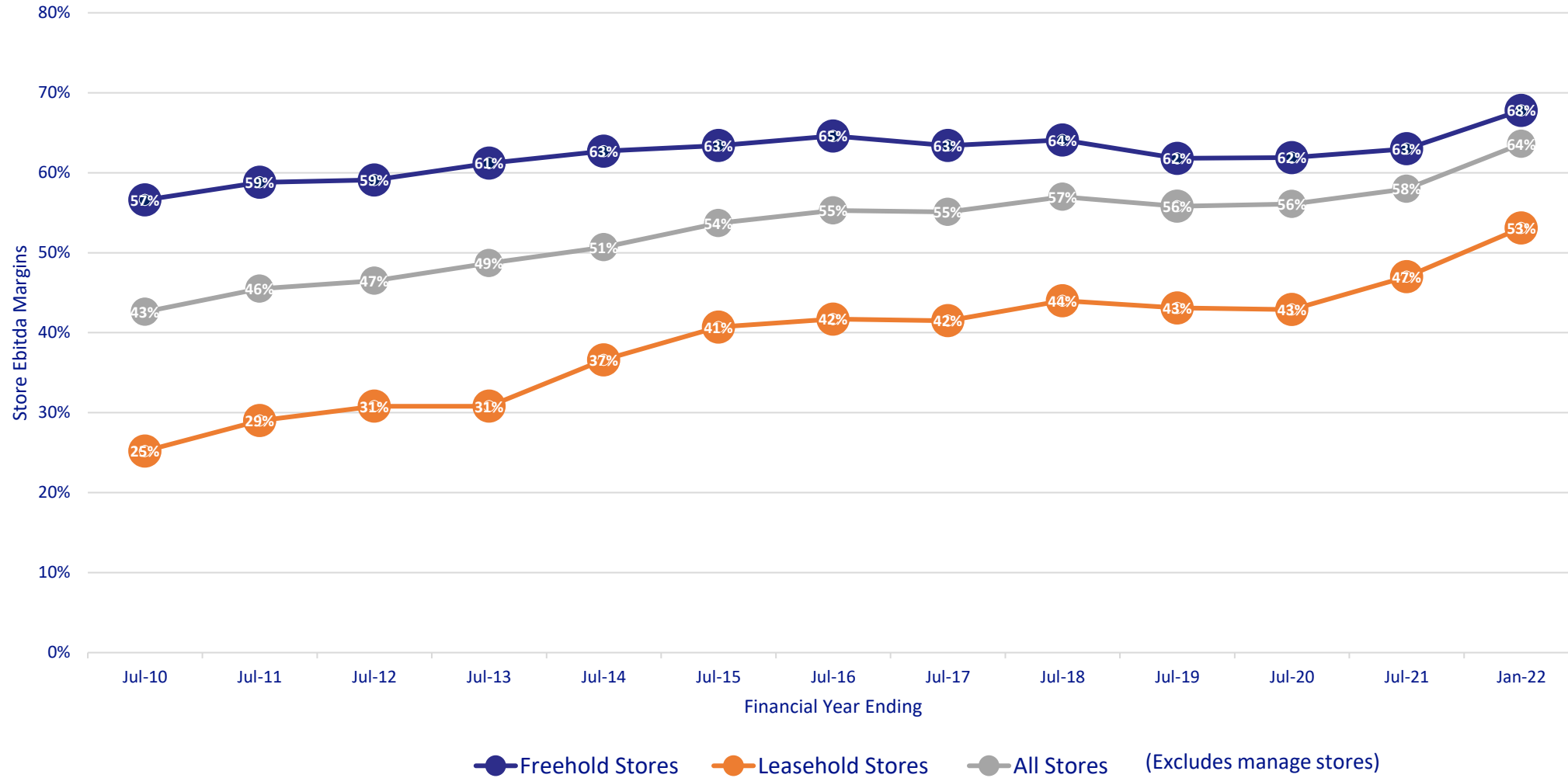
Unprecedented Operating metrics

- Unit Occupied space up 6.0%
- Half of stores over 80% occupied
- Achieved rate per sq.ft up 18.5% yoy
- Average rates to new customers 13.0% above average current rate



Store EBITDA Margins*

Store EBITDA Margins

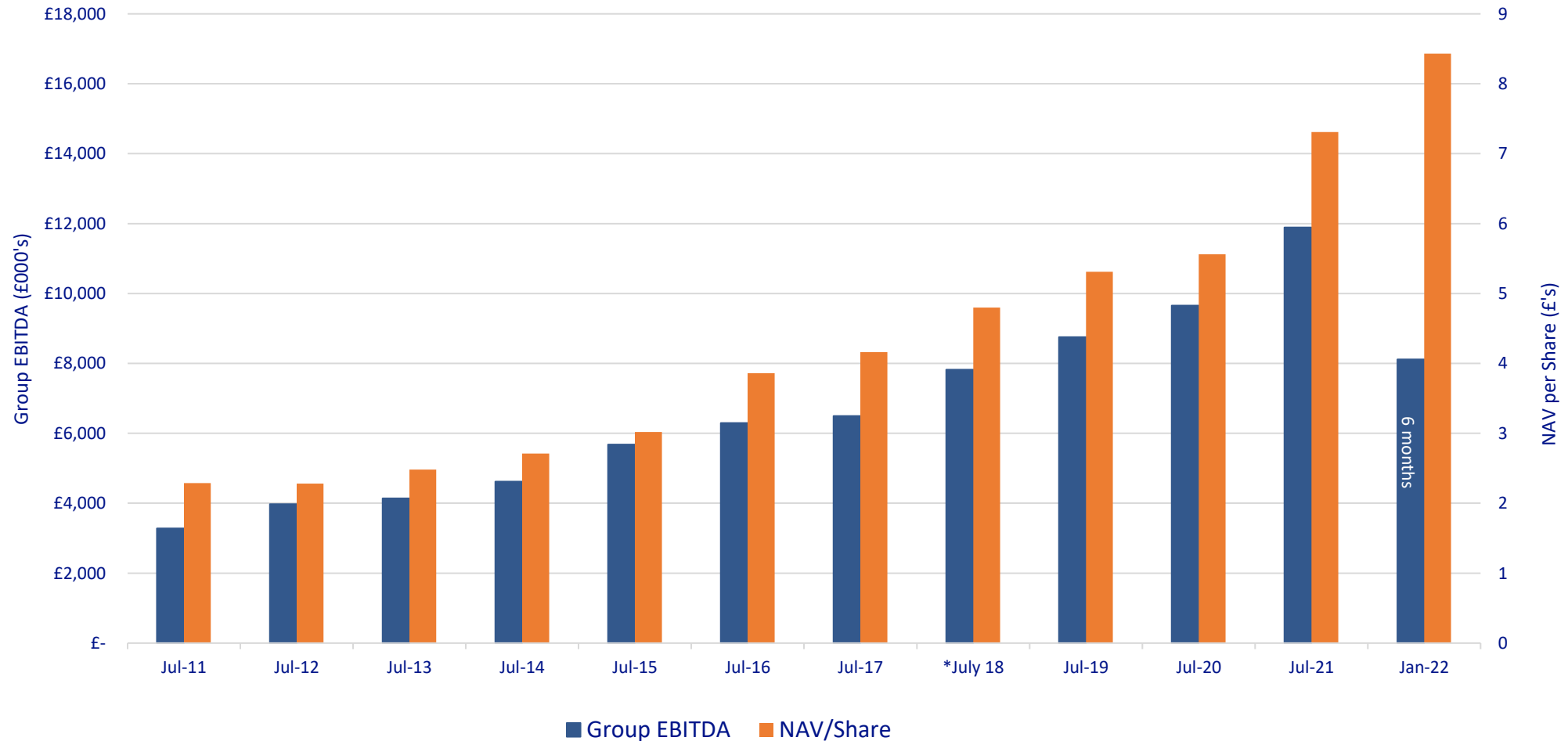


* Half Year Jan 2022



Consistent Growth & Record Profits

10-year compound NAV growth of 13.9%



* Introduction of IFRS 16 in 2018

Sale and Manage Back of Four stores 31 January 2022

- Sale price of £39 million
- Book value of £13.75 million
- 31 July 2021 valuation £31.75 million
- 22.8% above 31 July 2021 valuation
- 1st half revenue contribution £1.5 million
- 1st half EBITDA contribution £1 million
- Year 1 management fees c £0.2m
- Objective is to recycle capital into faster growing new Landmark assets
- Browner to greener assets



Strong Balance Sheet

Efficient use of capital, low net debt, low leverage



- Bank facility increased by £25 million to £100 million and extended by one year to April 2026
- Net debt £22.4 million, down from £42.6 million
- Investing in new Landmark stores - Capex of £7.1 million in the period
- Adjusted total assets up 40.9% to £332.3 million
- Loan to value ratio 8.3% (based on total trading store assets plus development properties)

Future growth - driven by fully funded secured new Landmark store programme

- 1.93 million lettable sq.ft trading
- Current secured pipeline of 12 stores will add 35.5% to total trading space
- Increases to 2.61 million lettable sq.ft
- Increased bank facility and sale proceeds covers development of this pipeline
- Three more stores progressing with lawyers

Looking at many more opportunities....



New Leicester store illustrates Landmark store strategy



**LOK'n
STORE**
Storage



Progressing the new store pipeline

- 1 new store trading (2 more post balance sheet)
- On site at 4 stores – opening 2023
- Stores already on site will increase total portfolio space by 16.8% by end FY2023
- 4 Planning permissions granted – preparing to go on site

Store Opening Programme by year

Store Opening
Programme

Financial Year	Store Opening Pipeline	Lok'nStore Capital Expenditure Remaining	Owned Stores		Total Portfolio	
			% growth lettable area	% cumulative growth lettable area	% growth lettable area	% cumulative growth lettable area
FY2022	3 new stores	£2.9 million	4.7%	4.7%	5.7%	5.7%
FY2023	4 new stores	£22.3 million	17.9%	22.6%	11.1%	16.8%
FY2024	5 new stores	£20 million	26.6%	49.2%	18.7%	35.5%
Total	12 new stores (secured)	£45.2 million	49.2%		35.5%	



WARRINGTON – NOW OPEN

Delivering a best in class landmark self storage facility with an eye-catching design.



WOLVERHAMPTON – OPEN MARCH 2022

Managed store on prominent road leading to a very large out of town destination retail park.



STEVENAGE – OPEN APRIL 2022

A landmark location on the busiest roundabout in town. All traffic to the A1 from and to the South of the town must pass this store. Neighbouring Starbucks, BP petrol station, car dealer, and retail.



BASILDON - Opening Autumn 2023

First purpose built leasehold store above a new retail development in an existing busy retail Centre.
Very tall – will be seen from everywhere!



BARKING

Opening 2024

A landmark location on the exceptionally busy A13, serving the gateway to the east of London. Delivering a best-in-class self storage facility.





Increased banking facility – October 2021

- Facility increased £25 million to £100 million total – runs to April 2026
- Average cost of debt in period 1.55%
- Increased bank facility and sale proceeds cover the development of existing store pipeline
- At period end -
 - Gross Debt £66.8m
 - Cash £44.4m
 - Net Debt £22.4m

Profit & Loss

Half-Year ended 31 Jan 2022

	Six months ended 31-Jan-22	Six months ended 31-Jan-21	Year ended 31-Jul-21
	£'000	£'000	£'000
Revenue	13,384	10,211	21,892
Retail COS and Operating Costs	(5,268)	(4,671)	(10,001)
Group Adjusted EBITDA	8,116	5,540	11,891
Depreciation & amortisation	(2,232)	(1,900)	(4,149)
Equity settled share based payments	(101)	(67)	(118)
Loss on sale of land	–	(135)	(160)
Profit on sale of trading stores	6,089	–	–
Group operating profit	11,872	3,438	7,464
Finance costs (net)	(539)	(510)	(1,017)
Profit before tax	11,333	2,928	6,448

Consolidated Statement of Financial Position

As at 31 Jan 2022

	31- Jan 2022	31-Jan 2021	31-Jul 2021
	£'000	£'000	£'000
Non-current assets - Property, Plant & Equipment	255,097	196,107	255,652
Financial assets	–	361	–
Right of Use assets	11,809	11,137	10,503
Total non-current assets	266,906	207,605	266,155
Net current assets	41,888	7,194	6,713
Non-current debt- bank borrowings	(66,079)	(53,398)	(64,941)
Non-current debt- lease liabilities	(11,179)	(10,490)	(9,908)
Deferred tax	(54,174)	(27,479)	(46,760)
Net Assets	177,362	123,432	151,259
Share Capital	300	297	298
Share Premium	11,341	10,625	10,815
Other Reserves	9,073	8,546	9,138
Retained Earnings	52,630	25,265	26,272
Revaluation Reserve	104,018	78,699	104,736
Shareholder Funds	177,362	123,432	151,259

Consolidated Statement of Cash Flow

Year ended 31 Jan 2022

	Six months Ended 31 Jan 22 £'000	Six months ended 31-Jan-21 £'000	Year ended 31-Jul-20 £'000
Cash generated from operations	7,445	6,777	12,187
Income tax paid	(250)	(225)	(800)
Net cash from operating activities	7,195	6,552	11,387
Investing activities			
Proceeds of Sale & Manage back stores	37,922	–	–
Proceeds from sale of land (net of disposal costs) - Wolverhampton	–	1,509	1,509
Proceeds from sale of land (net of disposal costs) - Southampton	–	1,676	1,676
Purchase of property, plant and equipment	(6,793)	(9,627)	(26,474)
Interest received	–	–	1
Net cash outflow from investing activities	31,129	(6,442)	(23,288)
Financing activities			
Equity shares purchased for treasury (net of costs)	–	(693)	(693)
Equity shares sold from treasury (net of costs)	–	–	846
Proceeds of bank borrowings utilised for store development	1,198	2,614	14,077
Proceeds of bank borrowings utilised for payment of accordion fees	188	–	–
Finance costs paid	(946)	(484)	(969)
Lease liabilities paid	(903)	(769)	(1,559)
Equity dividends paid	(3,132)	(2,612)	(3,865)
Proceeds from issue of ordinary shares (net)	529	65	103
Net cash (used in) / from financing activities	(3,066)	(1,879)	7,940
Net increase (decrease) in cash and cash equivalents in the period	35,258	(1,769)	(3,961)
Cash and cash equivalents at the beginning of the period	9,105	13,066	13,066
Cash and cash equivalents at the end of the period	44,363	11,297	9,105

Robust Asset Backing

Analysis of net asset value per share

Year ended 31 Jan 2022

	31 Jan 2022	31 Jan 2021	31 July 2021
	£'000	£'000	£'000
Analysis of NAV per Share			
Net assets	177,362	123,432	151,259
Add: JLL leasehold valuation	23,075	16,725	22,100
Deduct: leasehold properties and their FF&E at NBV	(7,313)	(3,571)	(7,630)
Adjusted net assets	193,124	136,586	165,729
Deferred tax arising on revaluation of freehold properties	54,174	27,479	46,760
Adjusted net assets before deferred tax	247,298	164,065	212,489
	No. '000s	No. '000s	No. '000s
Issued share capital (ords)	29,687	29,633	29,633
Add: shares issued for the exercise of options	291	20	54
Closing shares in issue	29,978	29,653	29,687
Less: shares held in EBT	(623)	(623)	(623)
Less: shares held in treasury	–	(127)	--
Shares for NAV purposes	29,355	28,903	29,064
Adjusted NAV / share (before deferred tax)	£8.43	£5.68	£7.31

Business on course to deliver significant growth

- Increasing customer occupancy driving revenue, pricing and profits
- Strong balance sheet and low LTV – financial platform for growth
- Growing new Landmark secured store pipeline to deliver 35.5% more space
- Increasing dividend growth



Lok'nStore Group plc



Executive Chairman

Andrew Jacobs

Email: andrewjacobs@lokncstore.co.uk

Tel: 01252 52 10 10



Finance Director

Ray Davies

Email: raydavies@lokncstore.co.uk

Tel: 01252 52 10 10



Managing Director

Neil Newman

Email: neilnewman@lokncstore.co.uk

Tel: 01252 52 10 10

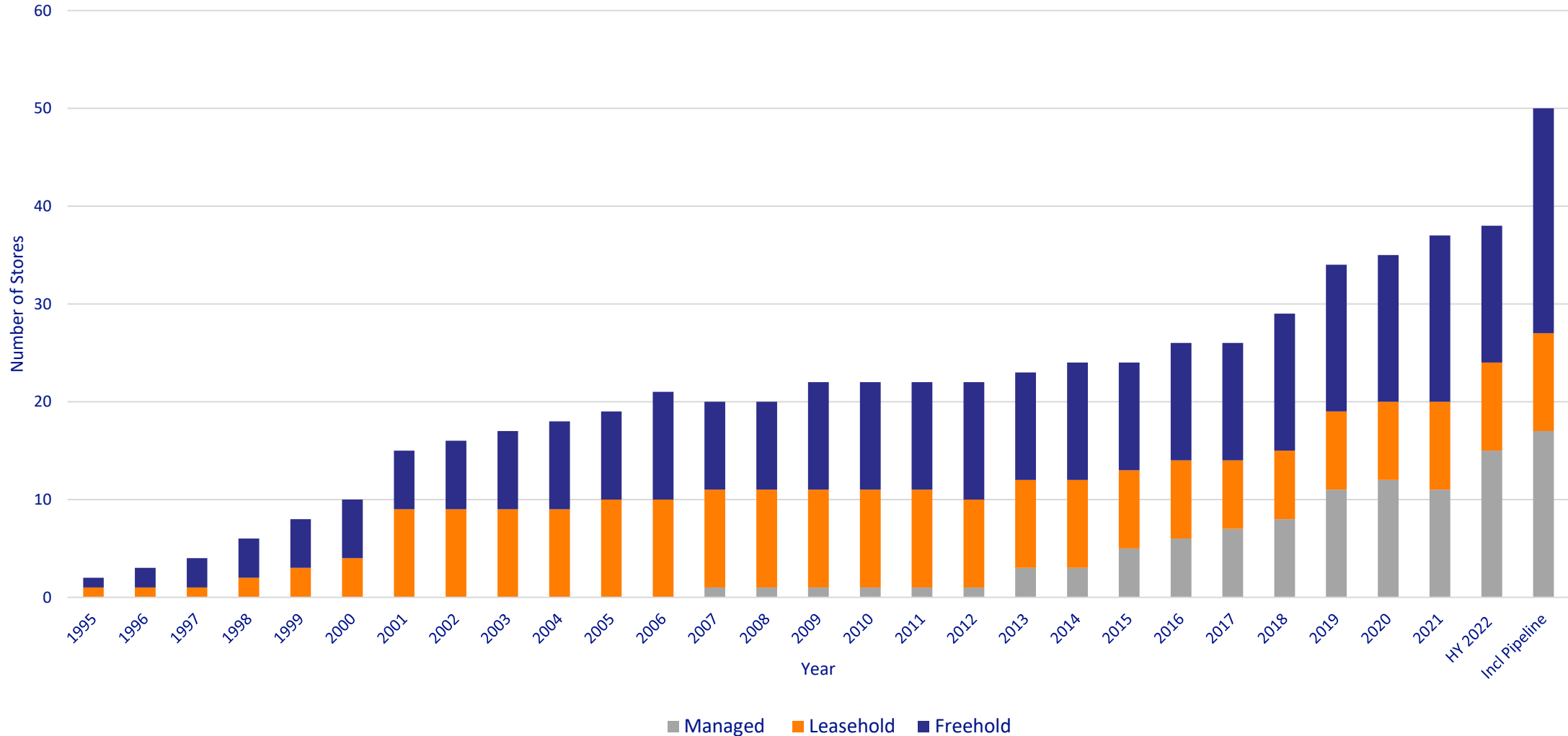
Calculation of CAD

Analysis of Cash Available for Distribution (CAD)	Group Year ended 31 Jan 2022 £'000	Group Year ended 31 July 2021 £'000	Group Year ended 31 July 2021 £'000
Group Adjusted EBITDA (Per Statement of Comprehensive Income)	8,116	5,540	11,890
Property lease rents	(903)	(769)	(1,559)
Net finance costs paid	(600)	(484)	(969)
Capitalised maintenance expenses	(60)	(169)	(193)
New Works Team	(73)	(42)	(129)
Current tax (note 8)	(903)	(583)	(798)
	(2,539)	(2,047)	(3,648)
Cash Available for Distribution	5,577	3,493	8,242
Increase in CAD over last year	59.6%	19.7%	33.5%
	Number	Number	Number
Closing shares in issue (less shares held in EBT)	29,354,843	28,903,100	29,063,575
CAD per share (annualised)	38.00p	24.17p	28.36p
Increase in CAD per share over last year	57.2%	20.0%	33.3%



Growth of stores by tenure

Lok'nStore Number of Stores Trading Since Inception with pipeline of secured stores



Our Locations

■ New Stores

Warrington

■ Pipeline Stores

Altrincham

Barking

Basildon

Bedford

Bournemouth

Cheshunt

Chester

Kettering

Peterborough

Staines

Stevenage

Wolverhampton

■ Stores

Aldershot

Ashford

Basingstoke

Bristol

Broadstairs

Cardiff

Chichester

Crawley

Crayford

Dover

Eastbourne

Exeter

Fareham

Farnborough

Gillingham

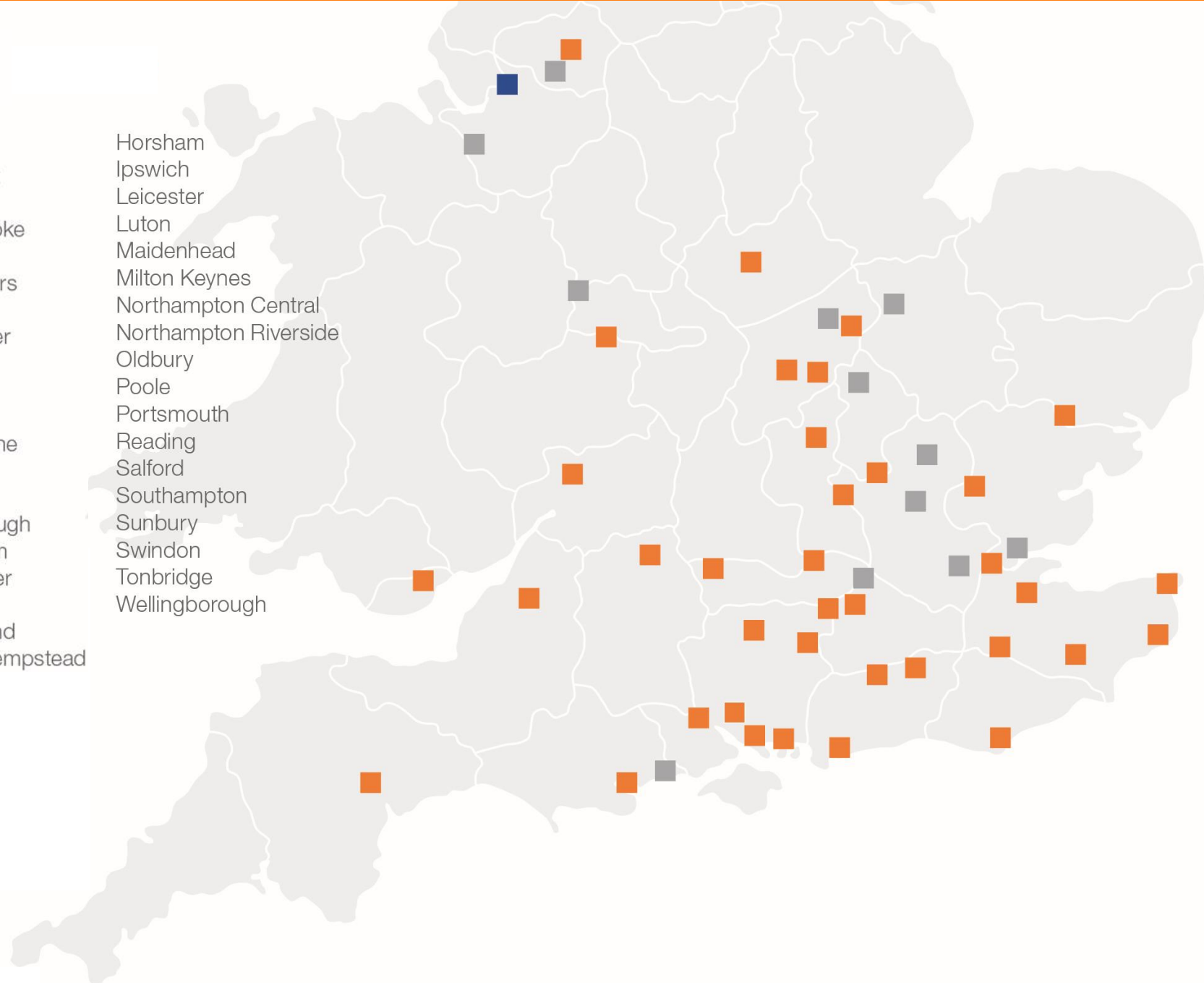
Gloucester

Harlow

Hedge End

Hemel Hempstead

Horsham
Ipswich
Leicester
Luton
Maidenhead
Milton Keynes
Northampton Central
Northampton Riverside
Oldbury
Poole
Portsmouth
Reading
Salford
Southampton
Sunbury
Swindon
Tonbridge
Wellingborough



Store Opening Programme

Updated 31st January 2022

Store Opening Programme

Store	Tenure	Lok'nStore Estimated Capital Expenditure Remaining	N/A Size sq. ft.	Status
Warrington	Freehold	£0.8 million	58,245	Open January 2022
Stevenage	Freehold	£2.1 million	56,813	Opening April 2022
Wolverhampton	Managed	N/A	52,100	Opening early 2022
Bedford	Freehold	£5.6 million	56,445	On site
Staines	Long Leasehold	£9.2 million	56,200	On site
Basildon	Leasehold	£2.8 million	56,200	Planning permission achieved
Bournemouth	Freehold	£5.2 million (net)	75,100	Planning permission achieved
Cheshunt	Freehold	£2.3 million (net)	60,300	Planning permission achieved
Peterborough	Freehold	£4.7 million	45,900	Planning Permission achieved
Kettering	Managed	N/A	40,000	Planning application submitted
Chester	Managed	N/A	45,700	Planning application submitted
Altrincham	Freehold	£6.3 million	60,000	Planning application submitted
Barking	Freehold	£6.2 million	80,000	Acquired
A	Managed	N/A	60,000	With Lawyers
B	Effective Freehold	£9.8 million	45,000	With Lawyers
C	Freehold	£11.4 million	50,000	With Lawyers

Movement of valuation metrics

Valuation Metrics

		FY2020	FY2021	HY2022
Average Exit Yield	Freehold	6.5%	6.15%	5.54%
	Leasehold	15.6%	23.1%	23%
Average Stabilised Occupancy Rate		84.9%	88.9%	88.6%

Significant Increase in value of stores

- Total increase in value of trading stores £34.5 million between 31 July 2021 and 31 January 2022 of which £23.3 million is from yield shift
- 12.8% LFL increase in value of trading stores
- Freehold exit yield dropped from 6.15% to 5.54% (our best are 5%)



Store Management Fees

